

AMENDED IN ASSEMBLY APRIL 12, 1999

AMENDED IN ASSEMBLY APRIL 8, 1999

AMENDED IN ASSEMBLY FEBRUARY 18, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

## ASSEMBLY BILL

**No. 148**

**Introduced by Assembly Members Thomson and Corbett  
(Coauthors: Assembly Members Cardoza, Honda, Jackson,  
Knox, Longville, Machado, Strom-Martin, and Washington)  
(Coauthors: Senators Chesbro, Leslie, Rainey, and Solis)**

January 15, 1999

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An act to amend Sections 17080, 17224, 17587, and 17592 of, to add Sections 17070.77, 17584, and 17584.5 to, and to repeal Section 39619 of, the Education Code, relating to school facilities, and making an appropriation therefor.

### LEGISLATIVE COUNSEL'S DIGEST

AB 148, as amended, Thomson. School facilities.

(1) Existing law, the Leroy F. Greene School Facilities Act 1998 (Greene Act), provides funding to school districts to finance the construction and modernization of school facilities. The Greene Act requires applicants to make all necessary repairs, renewals, and replacements to ensure that a project is at all times kept in good repair. Existing law requires an applicant to establish a restricted account within the school district's general fund for the exclusive purpose of providing moneys for ongoing and major maintenance, and to agree to deposit prescribed amounts into the account for this

purpose. Existing law requires the applicant school district to certify that it has publicly approved an ongoing and major maintenance plan.

This bill would define major maintenance for this purpose, would require, commencing January 1, 2000, any school district applying for funding pursuant to the Greene Act to annually review the plan, update it as needed, and certify that it is in compliance with the plan. The bill would require applicants to certify that the plan includes prescribed criteria, including, but not limited to, identification of the major maintenance needs of the project, and specification of a schedule for completion of the major maintenance.

(2) Existing law establishes the State School Deferred Maintenance Fund which is continuously appropriated for the purposes for which it is established. ~~Existing law requires the State Allocation Board to apportion, from the State School Deferred Maintenance Fund, funds to school districts on a 50% matching basis up to  $\frac{1}{2}$  of 1% of the districts current-year total revenue limit average daily attendance pursuant to a prescribed formula, to the extent funds are available. Existing law prohibits an eligible district from being required to budget local funds for this purpose greater in an amount than  $\frac{1}{2}$  of 1% of the current year total pursuant to the formula.~~

This bill would change the name of the State School Deferred Maintenance Fund to the School Major Maintenance Match Fund, ~~would increase the maximum funding to .75% of the district's total current-year revenue limit average daily attendance, pursuant to the prescribed formula, would similarly increase the amount of local funds which a district is prohibited from being required to budget for this purpose,~~ and would state the intent of the Legislature to fund annually the School Major Maintenance Match Fund to the full statutory cap. The bill would continuously appropriate from the General Fund to Section A of the State School Fund the amount necessary to fund annually the School Major Maintenance Match Fund to the full statutory cap and would require the Controller to transfer annually from Section A of the State School Fund the amount necessary



to fund the School Major Maintenance Match Fund to the full statutory cap.

(3) To the extent that General Fund revenues appropriated by this bill are allocated to a school district or a community college district, those funds would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. It is the intent of the Legislature to fund  
2 annually the School Major Maintenance Match Fund to  
3 the full statutory cap specified in subdivision (b) of  
4 Section 17584.

5 SEC. 1.5. Section 17070.77 is added to the Education  
6 Code, immediately following Section 17070.5, to read:

7 17070.77. (a) For each project funded after January  
8 1, 2000, the board shall require the applicant school  
9 district governing board to certify, as part of the school  
10 district's annual budget process and beginning in the  
11 fiscal year in which the project is funded by the state, that  
12 it is in compliance with the plan adopted pursuant to  
13 paragraph (3) of subdivision (b) of Section 17070.75 for  
14 completing major maintenance requirements for the  
15 project.

16 (b) For purposes of this chapter, the term "major  
17 maintenance" means all actions necessary to keep  
18 roofing, siding, painting, floor and window coverings,  
19 fixtures, cabinets, heating and cooling systems,  
20 landscaping, fences, and other items designated by the  
21 governing board of the school district in good repair.

22 (c) The board shall require the school district's  
23 governing board to certify that the plan includes and is  
24 being implemented with all of the following components:

25 (1) Identification of the major maintenance needs for  
26 the project.

1 (2) Specification of a schedule for completing the  
2 major maintenance.

3 (3) Specification of a current cost estimate for the  
4 scheduled major maintenance needs.

5 (4) Specification of the school district's schedule for  
6 funding a reserve to pay for the scheduled major  
7 maintenance needs.

8 (5) Review of the plan annually, as a part of the school  
9 district's annual budget process, and update, as needed,  
10 the major maintenance needs, the estimates of expected  
11 costs, and any adjustments in funding the reserve.

12 (6) Availability for public inspection of the original  
13 plan, and all updated versions of the plan, at the office of  
14 the superintendent of the school district during the  
15 working hours of the school district.

16 (7) Provision in the school district's annual budget for  
17 the reserve that contains the total funding available for  
18 scheduled major maintenance needs as specified in the  
19 updated plan, and an explanation if this amount of the  
20 reserve is less than that specified in the updated plan.

21 SEC. 2. Section 17080 of the Education Code is  
22 amended to read:

23 17080. (a) Notwithstanding any other provision of  
24 law, whenever moneys transferred to the General Fund  
25 each year from (1) moneys deposited in the Public School  
26 Building Loan Fund pursuant to Section 15735, and (2)  
27 moneys deposited in the State School Building Aid Fund  
28 pursuant to Section 16080, are in excess of the amounts  
29 required to reimburse the General Fund on account of  
30 principal and interest due and payable for that fiscal year  
31 on all school building aid bonds outstanding against the  
32 state, an amount equal to the excess is appropriated from  
33 the General Fund for purposes of the Leroy F. Greene  
34 State School Building Lease-Purchase Law of 1976  
35 (Chapter 12 (commencing with Section 17000)), the  
36 Leroy F. Greene School Facilities Act of 1998 (Chapter  
37 12.5 (commencing with Section 17070.10)), and Section  
38 17584. The Controller shall transfer, as directed by the  
39 State Allocation Board, the appropriated amount to the  
40 State School Building Lease-Purchase Fund and to the

1 School Major Maintenance Match Fund, which is hereby  
2 established.

3 (b) In addition to the amount transferred pursuant to  
4 subdivision (a), the Controller shall transfer annually  
5 from the General Fund to the School Major Maintenance  
6 Match Fund an amount equal to any amount transferred  
7 to or deposited in the General Fund as a result of  
8 repayment of any loan made by the board pursuant to  
9 Section 17005.5.

10 (c) Notwithstanding Section 13340 of the Government  
11 Code, the School Major Maintenance Match Fund is  
12 continuously appropriated for the purposes for which it  
13 is established.

14 SEC. 3. Section 17224 of the Education Code is  
15 amended to read:

16 17224. Any funds in the State School Site Utilization  
17 Fund, including interest, that are not subject to return to  
18 a school district pursuant to Section 17223 shall revert to  
19 the School Major Maintenance Match Fund.

20 SEC. 4. Section 17584 is added to the Education Code,  
21 to read:

22 17584. (a) Whenever, in any given fiscal year, a  
23 school district has budgeted, exclusive of state matching  
24 funds and district funds previously matched pursuant to  
25 subdivision (b), in its deferred maintenance fund  
26 established pursuant to Section 17582 an amount equal to,  
27 or greater than, that amount the district expended from  
28 its general fund for major maintenance, repair, or  
29 modernization of existing school buildings, as specified in  
30 Section 17582, exclusive of categorical aid funds and any  
31 proceeds from the sale of district property which were  
32 expended for the purpose of the district deferred  
33 maintenance account, in either the 1978–79 or 1979–80  
34 fiscal year, adjusted annually to the current fiscal year in  
35 conformance with the percentage change in the district  
36 revenue limit computed pursuant to Section 42237 or  
37 42238, the Superintendent of Public Instruction shall so  
38 certify to the State Allocation Board.

39 (b) The State Allocation Board shall apportion, from  
40 the School Major Maintenance Match Fund, to school

1 districts an amount equal to one dollar (\$1) for each one  
2 dollar (\$1) of local funds up to a maximum of ~~0.75~~ 0.5  
3 percent of the district's current-year revenue limit  
4 average daily attendance multiplied by the average, per  
5 unit of average daily attendance, of the total expenditures  
6 of the total general funds and adult education funds for  
7 districts of similar size and type, as defined in subdivision  
8 (b) of Section 42238.4, for the second prior fiscal year,  
9 exclusive of any amounts expended for capital outlay or  
10 debt service.

11 (c) Notwithstanding subdivision (a), in order to be  
12 eligible to receive state aid pursuant to subdivision (b),  
13 no district shall be required to budget from local district  
14 funds an amount greater than ~~0.75~~ 0.5 percent of the  
15 district's current-year revenue limit average daily  
16 attendance, multiplied by the average, per unit of  
17 average daily attendance, of the total expenditures and  
18 ending fund balances of the total general funds and adult  
19 education funds for districts of similar size and type, as  
20 defined in subdivision (b) of Section 42238.4 for the  
21 second prior fiscal year, exclusive of any amounts  
22 expended for capital outlay or debt service.

23 SEC. 5. Section 17584.5 is added to the Education  
24 Code, to read:

25 17584.5. Notwithstanding Section 13340 of the  
26 Government Code, there is hereby continuously  
27 appropriated from the General Fund to Section A of the  
28 State School Fund the amount necessary to fund annually  
29 the School Major Maintenance Match Fund to the full  
30 statutory cap specified in subdivision (b) of Section 17584.  
31 The Controller shall annually transfer from Section A of  
32 the State School Fund the amount necessary to fund for  
33 each fiscal year the School Major Maintenance Match  
34 Fund to the full statutory cap specified in subdivision (b)  
35 of Section 17584.

36 SEC. 6. Section 17587 of the Education Code is  
37 amended to read:

38 17587. (a) Notwithstanding the limitations of Section  
39 17584, the State Allocation Board may each year reserve  
40 an amount not to exceed 10 percent of the funds

1 transferred from any source to the School Major  
2 Maintenance Match Fund for apportionments to school  
3 districts, in instances of extreme hardship. The  
4 apportionment shall be in addition to the apportionments  
5 made pursuant to Section 17584. Not less than one-half of  
6 all funds made available by this section shall be  
7 apportioned to school districts that had an average daily  
8 attendance, excluding summer session attendance, of less  
9 than 2,501 during the prior fiscal year.

10 An extreme hardship shall exist in a school district when  
11 the State Allocation Board determines the existence of all  
12 of the following:

13 (1) That the district has deposited in its deferred  
14 maintenance fund an amount equal to at least ~~0.75~~ 0.5  
15 percent of the total general funds and adult education  
16 funds budgeted by the district for the fiscal year,  
17 exclusive of any amounts budgeted for capital outlay or  
18 debt service.

19 (2) That the district has a critical project on its  
20 five-year plan which if not completed in one year could  
21 result in serious damage to the remainder of the facility  
22 or would result in a serious hazard to the health and safety  
23 of the pupils attending the facility.

24 (3) That the total funds deposited by the district and  
25 the state pursuant to Section 17584 are insufficient to  
26 complete the project.

27 (b) As a result of the determination made in  
28 subdivision (a), the State Allocation Board may increase  
29 the apportionment to a school district by the amount it  
30 determines necessary to complete the critical project.

31 (c) Notwithstanding subdivision (a), in any fiscal year  
32 in which the State Allocation Board has apportioned all  
33 funding from the School Major Maintenance Match Fund  
34 for which school districts have qualified under Section  
35 17584, the board may apportion any amount remaining in  
36 that fund for the purposes of this section.

37 SEC. 7. Section 17592 of the Education Code is  
38 amended to read:

39 17592. From any moneys in the School Major  
40 Maintenance Match Fund, the board shall make available

1 to the Director of General Services amounts as it  
2 determines necessary to provide the assistance, pursuant  
3 to this chapter, required by Section 15504 of the  
4 Government Code.

5 SEC. 8. Section 39619 of the Education Code is  
6 repealed.

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